

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

December 14, 2005

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, December 14, 2005 beginning at 9:32 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

George B. Beardsley, President
Denise S. Maes, First Vice President
Thomas A. Gougeon, Vice President
Penfield Tate, Vice President

Board employees and others present during portions of the Meeting were:

H. J. Barry, Manager
P. L. Wells, General Counsel
D. B. LaFrance, Director of Finance
E. E. Pokorney, Director of Planning
M. L. Bassett, Director of Public Affairs
K.A. Pollock, *Acting* Director of Operations and Maintenance
J. L. Diebel, Director of Engineering
C. R. Dermody, Manager of Information Technology
C. Elam-Floyd, Manager of Human Resources
A. T. Spaulding, Purchasing Agent
G. T. Malmberg, Sales Administrator
K. Kempke, Manager of Treasury Operations
L. Firth, Manager of Community Relations
S. Renouf, Community Affairs Specialist
M. L. Walker, Attorney
W. G. Bates, Water Resource Engineer
G. Wilcox, Manager of Budgeting
J. E. Crockett, Manager of Risk & Benefit
T. L. McGuire-Collier, Manager of Media Relations
H. C. Teigen, Chief of Dist. & Property Mgmt
J. H. Bambei, Jr., Chief of Engineering
S. Price, Engineer
M. Garcia, Engineer
L. S. Likes, Appraiser-Negotiator
C. S. Funk, Attorney

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B. Carling, Telecommunications Tech
M. McAllister, Community Relations
N. F. Sperandio, Recreation Manager
G. Heazlett, IT Manager of Enterprise Infrastructure
R. Johnson, Community Affairs Specialist
K. D. Kuykendoll, Rate Administration
C. Gregg, Operations and Maintenance
Kim Calomino, HBA of Metro Denver
Dave Romero, Denver Parks and Recreation
Scott Terry, Garney Construction

Media

Jerd Smith, Denver Post

Commissioner Beardsley called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meeting of November 9, 2005 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Session of November 9, 2005 were approved.

Commissioner Beardsley issued an invitation to members of the public to comment to the Board on any matters not included in the Agenda for the meeting. There was no response.

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. **ITEM V-A-1: RESOLUTION OF THE BOARD OF WATER COMMISSIONERS TO PRESERVE AND PROTECT THE BOARD'S OPERATIONS UNDER THE WATERTON CANYON WATER MANAGEMENT PLAN**

Found and determined that Denver Water maintains prescribed flows in the South Platte River from Strontia Springs Dam to Chatfield Reservoir under the terms of a May 10, 1979 Water Management Plan, and that the flows, which have been maintained since Strontia Springs Dam and Reservoir first

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became operational, needed to be preserved and protected. The Board further found and determined that filing for and adjudication of water court decrees were necessary for the preservation and protection of the Board's water works operations.

The Board then unanimously authorized and resolved that Staff take whatever action they deem necessary, including the filing and adjudication of water court applications, for the preservation and protection of the Board's operations in the South Platte River between Strontia Springs Dam and Chatfield Reservoir under the Water Management Plan for the South Platte River Canyon below Strontia Springs Dam dated May 1, 1979, as revised May 10, 1979.

2. **ITEM V-C-1: ADOPTION OF 2006 BUDGET**

Approved the 2006 Budget, a copy of which is attached to and incorporated in these Minutes as Exhibit "A," which budget includes approval of 2006 lease payments for Certificates of Participation.

Ms. Wilcox provided a copy of her presentation to the Board members and the public. A copy is attached to and incorporated in these Minutes as Exhibit "B." Ms. Wilcox described the 2005 budget year comparing both the sources and uses of income and the factors driving some of the end of the year projections for 2005. Ms. Wilcox then described the 2006 budget assumptions, which included a demand forecast of 19% below normal, an 8% rate increase, sale of approximately \$40 million of bonds, maintenance of a staffing vacancy rate at about 3.5%, and elimination of 16 full-time and ten temporary employees. Ms. Wilcox explained 2006 expenditures were expected to draw down the reserves by \$9 million. Ms. Wilcox provided an outline of a contingency plan which could be implemented by the Board in the event of below normal stream flow projections. Ms. Wilcox reported the fiscal health of Denver Water is strong, especially considering the impacts of the recent drought on Denver Water's operations.

During the Board's discussion of the proposed budget, Commissioner Gougeon requested that the staff take time at a future study session to provide information to the Commissioners regarding maintenance of security and protection of the Denver Water system against terrorism and catastrophic events. Mr. Barry explained that staff had begun to make preparations for a plan to staff critical areas in the event of high absenteeism created by an avian flu pandemic.

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3. **ITEM V-D-1: ANNUAL CONTRACTS SCHEDULED TO RENEW IN THE FIRST QUARTER**

Authorized extension of the following annual contracts:

Contract with Bloomberg Service to provide online financial services for the period January 6, 2006 to January 6, 2007, for an additional \$30,000;

Contract with Wells Fargo Bank to provide lockbox and payment process services for the period February 15, 2006 to February 15, 2007, at an additional cost of \$100,000;

Contract with JD Edwards to provide OneWorld software for the period January 1, 2006 to January 1, 2007, at an additional cost of \$130,000;

Contract with Environmental Systems Research Institute to provide GIS software for the period January 5, 2006 to January 4, 2007, for an additional \$21,000; and

Contract with COGNOS Corporation to provide data analysis and reporting software for the period November 30, 2005 to November 30, 2006, for an additional \$30,900,

all as more particularly described in the attachment to Agenda Item V-D-1, dated December 14, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

4. **ITEM V-D-2: PURCHASE OF PROCESSED MEDIA SAND**

Authorized the purchase of processed media sand and necessary hauling for reconstruction of the Moffat drying beds located at Ralston Reservoir from Cat Construction Company for \$31.50 per ton plus a delivery charge of approximately \$7 per ton, and a total contract amount not to exceed \$195,000, such award being based upon acceptable price, delivery and compliance with specifications.

5. **ITEM V-D-3: RATIFICATION OF EXPENDITURES FOR RENTAL AND PURCHASE OF USED MOBILE ROCK CRUSHER**

Ratified the expenditure of \$44,117.88 to cover additional costs for the rental and purchase of a Komatsu Model BR350JG-1 mobile rock crusher from Power Motive Corporation for a final contract amount of \$374,117.88.

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6. **ITEM V-D-4: AWARD OF CONTRACT FOR FENCE AND GATE UPGRADES FOR EINFELDT AND CHERRY HILLS PUMP STATIONS**
Authorized award of a contract to Steelock Fence to furnish security fencing and gate upgrades at the Einfeldt and Cherry Hills Pump Stations at the unit prices set forth in the tabulation of Bidders' Proposal No. 08434A, dated November 1, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "D," for a total contract amount not to exceed \$160,992.50.
7. **ITEM V-D-5: EXTENSION OF CONTRACT AND ADDITION OF FUNDS FOR PRINTING OF PUBLICATION TITLED "WATER NEWS"**
Authorized extension of the December 9, 2000 contract with Mountain Graphics to print the Water News publication and the Water Quality Report for the period ending December 8, 2006, with a 5% price increase, and an additional \$41,000, for a total amended contract amount not to exceed \$119,600.
8. **ITEM V-D-6: EXTENSION OF CONTRACT AND ADDITION OF FUNDS FOR NALCO 8012 CATIONIC AND NALCO 8181 NONIONIC POLYMERS**
With Commissioners Gougeon, Maes and Tate voting "aye" and Commissioner Beardsley abstaining, authorized extension of the December 8, 2004 contract with NALCO Company to provide Denver Water's requirements of cationic polymer through December 31, 2007, for an additional \$1.9 million and a total amended contract not to exceed \$2,577,500.

Mr. Pollock explained other manufacturers provide different types of polymer and after a previous test, it was determined that the NALCO polymers were a preferable product for the water treatment process.
9. **ITEM V-D-7: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENT**
Ratified change orders to construction contracts and amendments to agreements authorized by the Manager in October and November 2005 as follows: Variance in final quantities pursuant to the contract with Glacier Construction Company, Inc. for installation of the Green Mountain Pump Station and diesel fuel engine generator equipment; Change Order No. 2 to the contract with Quality Paving Company for the Kassler Complex drainage and site improvements; Change Order No. 3 to the contract with Glacier Construction Company, Inc. for the Eleven Mile Dam Outlet Works Renovation; Change Order No. 5 to the contract with T. Lowell Construction,

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Inc. for vault modifications on Conduits numbered 27 and 28 [**Change Order withdrawn**]; Change Order No. 1 to the contract with Central Fire Protection Contractors, Inc. for the design and construction of fire system modifications at the Foothills Treatment Plant; Change Order No. 4 to the contract with Landtech Contractors, Inc. for the Marston Treatment Plant landscape and irrigation renovations; Change Order No. 2 to the contract with Wilderness Construction Company for the Metro Sewer Effluent Pump Station HVAC and Roof Replacement Project; Change Order No. 2 to the contract with Donald E. Jagger Roofing Company for the Foothills Treatment Plant Head Works Building Roof Replacement and Staircase Installation project; Change Orders No. 1 and 2 to the contract with AmWest, Inc. to install a submersible pump, motor and appurtenances for Cherry Creek Well "O"; Change Order No. 1 to the contract with Yenter Companies, Inc. for slope stabilization in Waterton Canyon; Variances in final quantities pursuant to the contract with Landtech Contractors, Inc. for the Marston Treatment Plant landscape and irrigation renovation project; Amendment to the September 1, 2002 Contract with A-1 Organics for residual removal and disposal; Amendment to the July 1, 2004 Contract with Badger Daylighting Rocky Mountain for non-destructive evacuating, hydro-jetting and vacuuming services; and First Amendment to the August 11, 2004 Agreement with HDR Engineering, Inc. for services regarding the Lower Chatfield Pump Station, all as more particularly described in Agenda Item V-D-7, dated December 14, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

10. **ITEM V-D-8: AWARD OF CONTRACT FOR FOOTHILLS TREATMENT PLANT SECURITY FENCE LIGHTING**

Authorized the award of a contract to Pride Electric Company to furnish and install security lighting necessary at the Foothills Treatment Plant at a cost to the Board not to exceed \$140,248.

11. **ITEM V-D-9: INTERGOVERNMENTAL AGREEMENT WITH THE CITY AND COUNTY OF DENVER FOR THE REMOVAL AND REPLACEMENT OF CONDUIT NO. 83**

Approved entering into an Intergovernmental Agreement with the City and County of Denver, acting by and through its Public Works Department, for the removal and replacement of portions of Conduit No. 83 near the 50th Avenue and Franklin Street bridges necessary for the South Platte River flood control phase III project, at a cost to the Board not to exceed \$133,000, all as more

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particularly provided in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

Mr. Diebel explained the conduit needed to be modified as a part of a long-standing plan to improve the South Platte River in the area. Mr. Diebel reported that when the City first discussed Denver Water contributing to the cost of the flood control project, Denver Water offered to pay 1/3 of the cost of the removal and relocation of the conduit, based upon the estimate of improvement of Denver Water's facilities.

12. **ITEM V-D-10: AWARD OF CONTRACT TO FURNISH AND INSTALL RECYCLED WATER MAINS TO THE DENVER ZOO AND RUSSELL SQUARE PARK**

Authorized award of a contract to BT Construction, Inc. to furnish and install approximately 1500 linear feet of six-inch and 1000 linear feet of eight-inch pressure pipe necessary for provision of water from the Recycled Water Project to the Denver Zoo and Russell Square Park, at a cost to the Board not to exceed \$173,994.

Mr. Diebel explained the cost of the project will be paid from the remaining Moffat Tunnel Funds which are controlled jointly by Denver Water and Denver Parks. The project is anticipated to change the use of approximately 300 acre-feet of water per year from potable sources to recycled sources.

13. **ITEM V-D-11: AWARD OF CONTRACT FOR VAULT MODIFICATIONS ON CONDUIT NOS. 122, 125, 90 AND 16-INCH MAIN**

Authorized the award of a contract to T. Lowell Construction, Inc. for a valve vault modification project on Conduit No. 122 at South Bowles Avenue and South Simms Street, Conduit No. 125 at County Line Road and South Broadway, Conduit No. 90 at Dry Creek Court and South Broadway, and a sixteen-inch main in Littleton Boulevard east of South Broadway, at a cost to the Board not to exceed \$1,055,500.

Mr. Diebel provided the Commissioners with a summary of the individual vault modification projects, including photos of the individual vaults, a copy of which is attached to and incorporated in these Minutes as Exhibit "G." Mr. Diebel explained that 327 valve vaults have been identified as needing upgrading. Sixty-one of the vaults have been identified as priority 1 projects, and the vault modifications included in the proposed contract with T. Lowell Construction were the third group of priority 1 listings. In response to

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questions from the Commissioners, Mr. Diebel explained the current vault construction standards differ from earlier standards and that better lighting, ventilation and construction material are anticipated to provide longer, useful lives for the new facilities.

14. **ITEM V-D-12: CHANGE ORDER NO. 3 -- 2005 PIPE REHABILITATION PROJECT**

Authorized Change Order No. 3 in the amount of \$42,806.47, to the May 11, 2005 contract with Spiniello Companies for the 2005 pipe rehabilitation project, all as more particularly described in the change order, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

15. **ITEM V-D-13: EXTENSION OF CONTRACT AND ADDITION OF FUNDS FOR LIQUID FERRIC SULFATE**

Authorized extension of the December 17, 2003 contract with General Chemical Corporation to provide the Board's requirements for liquid ferric sulfate through December 31, 2006, for an additional \$100,000, and a total amended contract amount not to exceed \$301,600.

Mr. Pollock explained liquid ferric sulfate is a coagulant that is only used at the Recycling Plant because of the requirements of Metro Wastewater. Drying beds are currently under construction at the Recycling Plant. When Denver Water begins using the drying beds, the solids will no longer be delivered to Metro and the use of alternative coagulants will be further investigated.

16. **ITEM V-D-14: FIRST AMENDMENT TO AGREEMENT WITH BLACK & VEATCH FOR SERVICES DURING CONSTRUCTION FOR THE 11-MILE CANYON DAM OUTLET WORKS RENOVATION PROJECT**

Approved the First Amendment to Agreement with Black & Veatch for the design of the Eleven Mile Canyon Dam Outlet Works renovation project in the amount of \$61,493, resulting in a total amended contract amount of \$107,821.

17. **ITEM V-D-15: SECOND AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES TO PROVIDE TECHNICAL DRAFTING ASSISTANCE**

Approved the Second Amendment to the April 13, 2005 Agreement with Martinez & Hromada Associates, Inc. to provide five technical drafters to assist distribution engineering in completing the backlog of "as-built" drawings

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and posting the “as-builts” to Denver Water’s GIS system, such work to be completed by June 30, 2006, at an additional cost of \$150,000, and a total amended contract cost not to exceed \$300,000, all as more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit “I.”

18. **ITEM V–D–16: INTERGOVERNMENTAL AGREEMENT WITH THE REGIONAL TRANSPORTATION DISTRICT FOR THE RELOCATION OF CONDUIT NO. 31 IN 18TH STREET BETWEEN CHESTNUT STREET AND WEWATTA STREET**

With Commissioners Beardsley, Maes and Tate voting “aye” and Commissioner Gougeon abstaining because of the possible appearance of a conflict involving a potential contract for Union Station, approved entering into an Intergovernmental Agreement with the Regional Transportation District for the relocation of a portion of Conduit No. 31, located in Eighteenth Street and Wewatta Street, necessary for construction of a light rail tunnel for the FasTracks project, all costs to be reimbursed by RTD, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit “J.”

Mr. Diebel explained that the Intergovernmental Agreement is the first agreement with RTD for the FasTracks project. FasTracks projects will be on an accelerated schedule, and in most cases the costs of relocation of Denver Water’s facilities will be 100% reimbursed by RTD. The Intergovernmental Agreement provides for reimbursement up to \$396,780 for the Conduit 31 relocation.

19. **ITEM V–D–17: AWARD OF CONTRACT TO RELOCATE 30” CONDUIT NO. 31 IN 18TH STREET BETWEEN CHESTNUT STREET AND WEWATTA STREET**

With Commissioners Beardsley and Tate voting “aye” and Commissioner Gougeon abstaining because of the possible appearance of a conflict involving a potential contract for Union Station, awarded a contract to T. Lowell Construction, Inc. to relocate that portion of Conduit No. 31 in Eighteenth Street between Chestnut Street and Wewatta Street necessary for the FasTracks project, at a cost not to exceed \$314,000, which cost is to be reimbursed by RTD under the terms of the IGA with RTD authorized this date.

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20. **ITEM V-D-18: CM-GC CONSTRUCTION PHASE SERVICES FOR THE CONSTRUCTION OF CAPITOL HILL RECYCLED WATER STORAGE TANK WITH GARNEY CONSTRUCTION**

Authorized entering into a CM/GC (construction management/general contractor) phased services agreement with Garney Construction for the construction of the Capitol Hill Recycled Water Storage Tank project with a project budget of \$7,600,000.

Mr. Price provided the Commissioners and the public with copies of his presentation regarding the proposed contract and Amendment No. 1 to that contract which is the subject of Agenda Item V-D-19. A copy of the presentation outline is attached to and incorporated in these Minutes as Exhibit "K."

Mr. Price explained the contract for construction services would have as many as seven separate construction packages. Each package would have a maximum contract amount, and would be presented as a Guaranteed Maximum Price (GMP) Amendment. The total project budget of \$7,600,000 is based on design to date, third party estimates and material and equipment quotes. If there are savings from the project budget for a particular construction package, the savings will be shared between Denver Water and the Contractor on a 40/60 basis.

GMP Amendment No. 1, covers demolition of the existing clear water basin, purchase of major valves and pipes, and seismic monitoring during demolition. The quote for services to be performed under Amendment No. 1 was reviewed by Denver Water's third party contractor consultant and Denver Water staff, and determined to be reasonable and competitive. Mr. Diebel explained that for all project features with estimated costs greater than \$100,000, a competitive quote will be required. If the primary contractor, Garney, performs work on project features with a cost greater than \$100,000, using its own forces, the price will be negotiated directly with Denver Water. Although there are no SDBE goals for Amendment No. 1, the overall project has a 5% SDBE goal. The First Amendment price is guaranteed because there are no contingencies in the bid.

Scott Terry of Garney Construction was introduced. Mr. Price explained that Garney and Denver Water staff have already conducted two public meetings in the neighborhood regarding the proposed project and that a third meeting was scheduled for the evening of December 14. Mr. Terry explained that the

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contractor will work with Denver Water to keep each of the amendments within budget.

21. **ITEM V-D-19: PARTIAL GUARANTEED MAXIMUM PRICE AMENDMENT #1 FOR THE CONSTRUCTION OF THE CAPITOL HILL RECYCLED WATER STORAGE TANK WITH GARNEY CONSTRUCTION**
Authorized partial GMP Amendment No. 1 in the amount of \$2,049,574, pursuant to the contract with Garney Construction for construction of the Capitol Hill Recycled Water Storage Tank, which amendment covers demolition services and purchases of large diameter pipe and valves, all as more specifically described in the Amendment, which is attached to and incorporated in these Minutes as Exhibit "L."
22. **ITEM V-D-20: PROFESSIONAL SERVICES CONTRACT WITH CORPORATE NET SERVICES**
Approved entering into a contract with Corporate Net Services to assist in the planning and deployment of telecommunications and data center technologies, at a cost to the Board not to exceed \$180,000.
23. **ITEM V-D-21: DECLARATION OF SURPLUS PROPERTY AND AUTHORIZATION OF SALE OF CHERRY CREEK PROPERTY TO DENVER PARKS**
Declared a 2.624 acre parcel of property, located in the southeast quarter of the southeast quarter (SE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 28, Township 4S, Range 67 West of the 6th P.M. in Arapahoe County, and as more particularly described on Exhibit "M," attached to and incorporated in these Minutes, no longer useful for or needed in the water works operations and authorized the sale of such property to the City and County of Denver for \$86,000, all as more particularly described in the Contract to Buy and Sell Real Estate, a copy of which is attached to and incorporated in these Minutes as Exhibit "N."

Mr. Teigen explained the property was a portion of the Board's Cherry Creek Galleries property, that the declaration of the property as surplus would not interfere with Denver Water's use of the remaining property for water works purposes, and the City would use the property for parks and transportation purposes.

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24. **ITEM V-E-1: HUMAN RESOURCE CHANGES**

Approved the human resource changes set forth in Agenda Item V-E-1 dated December 14, 2005, a copy of which is attached to and incorporated in these minutes as Exhibit "O," effective the pay period ending **December 16, 2005** unless otherwise noted.

25. **ITEM V-E-2: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective **December 1, 2005**, unless otherwise noted:

Employee Name	Employment Date	Retirement Plan Participation Date Unless otherwise noted ^A	Division/Section
Michael Smith	05/09/2005	05/09/2005	South Boulder Area #510
Rodney Edwards Jr.	06/01/2004	06/01/2004	T&D Construction & Maintenance #710
Daniel Escobedo Jr.	06/02/2005	06/02/2005	T&D Construction & Maintenance #710
Frederick Hughes	05/23/2005	05/23/2005	T&D Construction & Maintenance #710
David Mendoza	06/02/2005	06/02/2005	T&D Construction & Maintenance #710
Jose Ruiz	06/02/2005	06/02/2005	T&D Construction & Maintenance #710

26. **ITEM V-E-3: FLEXIBLE SPENDING ACCOUNT PLAN AMENDMENTS**

Approved a Resolution, a copy of which is attached to and incorporated in these Minutes as Exhibit "P," adopting amendments to the Board of Water Commissioners Flexible Compensation Plan, effective December 31, 2005.

Ms. Elam-Floyd explained that the changes to the Health Care Flexible Spending Account Plan and Dependent Care Flexible Spending Account Plan were required as a result of recent modifications of the Internal Revenue Service Code. Implementing a two and one-half month grace period should lessen the risk of employees losing money under the Flexible Spending Account Plan.

27. **ITEM V-E-4: REVISIONS TO DENVER WATER'S PERSONNEL POLICIES**

Authorized modifications to Denver Water's Personnel Policies, Section 14-10, as are more particularly described in the attachment to Agenda Item V-E-4, dated December 14, 2005, a copy of which is attached to and incorporated

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in these Minutes as Exhibit "Q," modifying the Personnel Policies, effective December 14, 2005, to provide for a rolling twelve-month period measured backward from the date an employee starts FMLA leave.

28. **SPECIAL ITEM: CONDUIT NO. 3 RELOCATION**

Authorized award of a contract to Tierdael Construction Company, Inc. for the relocation of a portion of Conduit No. 3 to facilitate installation of storm drainage improvements in South Federal Boulevard at Sanderson Gulch, at a cost to the Board not to exceed \$158,022.

Mr. Diebel explained that pursuant to an Intergovernmental Agreement, which will be brought to the Board in the January 2006 meeting, the City of Denver will reimburse the Board 80% of the total cost of the project, including design and inspection costs.

29. **ITEM VI-B-1: DISCUSSION AND INFORMATION: PRELIMINARY INFORMATION ABOUT ADJUSTMENT IN SYSTEM DEVELOPMENT CHARGES**

Mr. LaFrance provided the Commissioners and the public with copies of his presentation entitled "Background Information on Proposed 2006 System Development Charges, a copy of which is attached to and incorporated in these Minutes as Exhibit "R." Mr. LaFrance explained the SDC design and the study results. As a result of Denver Water staff analysis, it is proposed that SDCs will increase an average of 8.6% for single family, residential and multifamily and all other new treated water customers, and 4% for new nonpotable and recycled water customers. Staff is also reviewing the possibility of assessing and crediting individualized and volumetric SDCs for taps three inches and above, and results of the volumetric plan will be provided to the Board at the January 2006 meeting. If approved at the January meeting, the new changes would be effective March 12, 2006. Mr. LaFrance also reported he had met with the Home Builders Association to present his preliminary findings.

30. **ITEM VI-C-1: DISCUSSION AND INFORMATION: DROUGHT/ CONSERVATION -- WATER WATCH REPORT**

Mr. Pokorney reported that recent snow storms in the Colorado River and the South Platte watersheds had resulted in above average snow packs. Mr. Pokorney explained the forecasts of runoff would not be made until February

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2006. Mr. Pokorney reported that Denver Water's reservoirs were at 86% of capacity compared to historic median of 83% for December.

31. **ITEM VI-F-1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO**

The Commissioners received the report, "Denver Water Investment Portfolio as of November 30, 2005" as set forth in Agenda Item VI-F-1 dated December 14, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "S."

32. **ITEM VI-F-2: DISCUSSION AND INFORMATION: STATUS OF CONTRACT WORK**

The Commissioners received the report, "Status of Contract Work," dated December 14, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "T."

33. **ITEM VI-F-3: DISCUSSION AND INFORMATION: BUDGET STATUS REPORT**

The Commissioners received the 2005 Budget Status Summary for the period ending **November 30, 2005**, a copy of which is attached to and incorporated in these Minutes as Exhibit "U."

34. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board announced that there would be no further meetings in 2005.

The first regular meeting in 2006 will take place on **January 11, 2006**, at **9:15 a.m.**, in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado.

The Board adopted a 2006 meeting calendar, attached to and incorporated in these Minutes as Exhibit "V."

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 11:15 a.m.

EXECUTIVE SESSION

On Wednesday, December 14, 2005, commencing approximately at 11:21 a.m. in the Manager's Office, located in the Administration Building, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive

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Session. The following matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Executive Session:

1. Contract Negotiations Regarding Water and Power § 24-6-402(4)(e)
2. Litigation Report § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:46 a.m.

President

Secretary